



ETHANOL: “Fuel for Georgia’s future?”

By: Angie Fiese, Sr. Policy Analyst

According to the American Automobile Association’s Fuel Gauge Report on July 20, 2006, gasoline prices in Georgia reached an average high in Atlanta of \$2.990 and an average low of \$2.850 in Augusta. This represented an average increase of 16.1 cents from June 20, 2006. At one point in July, crude oil prices reached \$78.40 per barrel. By 2035, world oil demand is estimated to be 140 million barrels a day. Current world oil demand is estimated at 86 million barrels a day. On August 1st, Senator Tolleson mediated a legislative roundtable with Senators Bulloch, Carter, Harp, Hooks, and Tarver at the BioEnergy Conference in Tifton. Their discussion focused on the potential for developing alternative fuel, such as ethanol, in Georgia to reduce the nation’s dependence on foreign oil. Senator Tolleson believes that “the State of Georgia will lead the nation in the production of alternative fuels,” but recognizes that the state faces significant challenges relating to the transportation, fuel quality, and infrastructure of ethanol.

Ethanol

Ethanol, also known as ethyl alcohol or grain alcohol, can be used as an alternative fuel or as an octane-boosting, pollution-reducing additive to gasoline (E85 is representative of 85 percent ethanol and 15 percent gasoline). The majority of ethanol is produced from corn, but it can also be produced from many other crops including wheat, barley, milo/sorghum, and sweet potatoes. New technology will allow ethanol to be made from “cellulosic” feedstocks, including corn stalks, grain straw, paper pulp, municipal solid waste, switchgrass, and other sources.

The United States ethanol industry produced more than 3.4 billion gallons of ethanol in 2004, representing an increase from 2.8 billion gallons in 2003. According to the Renewable Fuels Association, as of May 31, 2006, there are currently 100 operating ethanol plants in the United States capable of producing more than 4.7 billion gallons of ethanol fuel each year. An additional 33 plants are under construction, while eight are being expanded, to yield an additional two billion gallons in annual ethanol production.

President Bush’s Advanced Energy Initiative provides for a 22 percent increase in clean-energy research at the Department of Energy. The President seeks accelerated research in technology that produces cellulosic

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At A Glance: Voter ID

By: Taryn Murphy, Sr. Policy Analyst
Jeff Walker, Policy Analyst

During the 2006 Legislative Session, the Georgia General Assembly passed Senate Bill 84 which provides for the availability of free Georgia Voter Identification Cards and requires that the State Election Board outfit all county boards of registrars with the necessary equipment to produce the Georgia Voter Identification Cards. This legislation also provides that the voter must present one of the following forms of identification: (1) a Georgia Driver’s License; (2) a Georgia Voter Identification Card or an identification card issued by a department branch, agency, or entity of the state of Georgia; (3) a United States Passport; (4) a valid United States Government photograph identification card; (5) a United States military identification; or (6) a tribal identification card. The U.S. Department of Justice approved this law in June.

Recently, Georgia’s voter photo identification law suffered two setbacks, in the form of a 2005 federal court case, *Common Cause/Georgia v. Billups*, and a 2006 state court case, *Lake v. Perdue*. On September 19, 2005, several non-profit organizations and two voters filed suit against the Georgia Boards of Election and Secretary of State Cathy Cox, alleging that the voter ID law violates the Georgia Constitution, the 14th Amendment of the United States Constitution,

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ethanol with the goal of making use of such ethanol practical and competitive within six years. The President's 2007 Budget will include \$150 million, an increase of \$59 million from the 2006 Budget, to help develop bio-based transportation fuels from agricultural waste products, such as wood chips, stalks, or switchgrass. Research scientists confirm that accelerating research into "cellulosic ethanol" can make this type of fuel cost-competitive by 2012, thus offering the potential to displace up to 30 percent of the nation's current fuel use. The President also signed the Energy Policy Act of 2005, which strengthens the nation's electrical infrastructure, reduces the nation's dependence on foreign sources of energy, increases conservation, and expands the use of renewable energy.

All vehicles in the United States are ethanol capable and can use a blend of up to 10 percent ethanol. Flexible-fuel vehicles (FFV) can run on blends of up to 85 percent ethanol (E85) or straight, unleaded gasoline. Daimler-Chrysler, Ford Motor Company, and General Motors Corporation have announced plans to double the annual production of FFVs to two million by the year 2010. There are currently about five million FFVs on the road today. Other vehicles may be technically converted to E85; however, there are no conversions or after-market parts that have been certified by the Environmental Protection Agency as meeting clean exhaust emission standards. Ford has also formed a partnership with VeraSun, a renewable energy company, to promote the growth of E85 infrastructure and to increase consumer awareness.

The Indy Racing League announced last year that, beginning with the 2006 IndyCar Series season, ethanol would be the League's fuel of choice. This year's season will be powered by a blend of 10 percent ethanol and 90

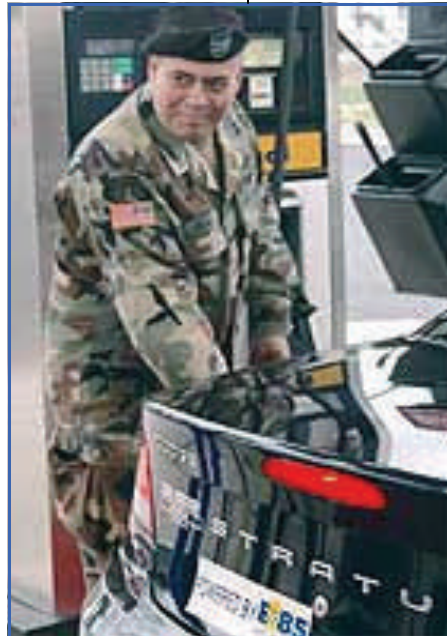
percent methanol, the league's former race fuel. Beginning with the '07 season, Indy will be powered by 100 percent ethanol.

Ethanol in Georgia

By Executive Order, Governor Perdue has charged the Georgia Environmental Facilities Authority (GEFA) with the responsibility of assembling stakeholders to develop a long-term, comprehensive statewide energy strategy and with developing an implementation strategy that ensures that Georgia fully leverages federal renewable energy incentives. The Georgia Department of Natural Resources, Environmental Protection Division was charged with streamlining the permitting and regulatory processes to ensure all proposed renewable energy facilities receive a 90-day permit review. The Executive Order also requires all state-owned fueling facilities to maximize the purchase of gasoline blended with ethanol and diesel fuel blended with biodiesel for use in state vehicles when available and economically practicable. A separate Executive Order creates a State Facilities Energy Council responsible for recommending energy policies, purchasing strategies, and optimizing strategies for state facilities which will reduce the state's energy consumption.

The Georgia Center for Innovation recently awarded a \$100,000 research grant to the Georgia Institute of Technology on behalf of C2Biofuels for further research of cellulosic ethanol production. Chevron has formed a partnership with Georgia Tech's Strategic Energy Institute and will contribute up to \$12 million over five years for research into and the development of emerging energy technologies.

Xethanol plans to build a 50 million gallon per year cellulosic ethanol plant in Augusta, which would start producing ethanol by mid-year 2007. Xethanol is purchasing the plant site from Pfizer, Inc., which could create up to 100 jobs. First United Ethanol, LLC is planning to start construction this October on an ethanol plant in Camilla, which would produce ethanol from corn. C2 Biofuels is exploring a \$150 to \$200 million plant in South Georgia that would produce ethanol from wood pulp.



Col. Rick Riera, Fort Benning garrison commander in Columbus, fills a government vehicle with E-85 ethanol.

While the new ethanol industry is growing, other issues must be resolved before its potential in Georgia can be realized. These issues relate to the transportation of ethanol, the quality of the ethanol fuel, and the lack of infrastructure in the state. Currently, the method for transporting oil or fuel is through the use of metal pipelines, tanker trucks, or railway tankers.

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At A Glance (Continued from Page 1)

the Civil Rights Act of 1964, the Voting Rights Act of 1965, and constituted both an undue burden on the fundamental right to vote and an unconstitutional poll tax. *Common Cause/Georgia v. Billups* was heard by the federal court for the Northern District of Georgia.

The state's position, as argued by the attorney general, was that the photo ID requirement is not an undue burden because it does not prevent anyone from voting; the law merely regulates the manner of voting. Requiring a photo ID for in-person voting is a reasonable means of achieving a legitimate state interest, that of preventing in-person voter fraud. Also, the state argued that it is not required to address all voter fraud problems at once, and preventing in-person voter fraud should be considered a legitimate state interest regardless of how the state treats absentee voting.

Federal Court's Decision

On October 18, 2005, the court granted plaintiffs a preliminary injunction, prohibiting the state from enforcing the disputed provisions of the law during the November 2005 county and municipal elections. The court found that the plaintiffs had shown a substantial likelihood of success on the merits of the undue burden claim and the poll tax claim, the injunction was necessary to prevent irreparable injury, the injury outweighs the harm the injunction would inflict on the state, and the injunction would serve the public interest. The decision was based only on those two issues, because federal courts are barred from deciding on state constitutional claims, and the plaintiffs had not presented full arguments on the Civil Rights Act and Voting Rights Act claims.

However, the court decided in favor of the plaintiffs on the undue burden issue. According to the judge, the law cannot survive under either a strict scrutiny standard or a more flexible standard because there are fatal flaws in the statute that create an undue burden on some voters. Under strict scrutiny, although preventing voter fraud is a legitimate state interest, this statute was not narrowly drawn to attain that goal. The court pointed out that the law focuses exclusively on in-person voting where there is very little evidence of fraud, while ignoring absentee voter fraud where there is significant evidence of fraud. If the purpose of the law is to prevent voter fraud, then it is not narrowly tailored to do so because the law ignores absentee voting.

will have difficulty traveling to the Georgia Department of Driver Services during its limited business hours and waiting in long lines. The single mobile ID unit in Georgia is not sufficient to serve all 159 counties. Also, the opportunity to avoid paying a fee for the ID by signing a poverty affidavit is not sufficient to remove the monetary burden, because many voters may not consider themselves indigent; therefore, they may not feel comfortable signing a legally binding document to that effect.



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- Attorney General Thurbert Baker

Under the flexible standard, the state's argument also fails because the law's burden on voting outweighs the interests served by the statute. The burden is significant because many voters

On the poll tax issue, the state claimed that the law allows people to avoid paying any fee by filing a poverty affidavit, and the state has a "no questions asked" policy. The court disagreed, because many voters may be unaware of this policy. Also, the judge held that the state did not adequately publicize the absentee ballot loophole to the photo ID requirement. Therefore, the court held that the photo ID requirement is a poll tax, which violates the 24th Amendment and the Equal Protection Clause. The court further rejected the state's claim that the availability of provisional ballots cures the law's burden on voting, because it is unlikely that a voter who lacks a photo ID at the time of voting will be able to acquire a photo ID in a 48-hour time period.

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2006 Legislative Response

The Georgia General Assembly amended the law in January 2006 to allow voters to obtain free ID cards by swearing that he or she desires the card in order to vote, and that he or she does not have any other form of acceptable identification. The law was also amended to require that every county in Georgia establish at least one location where voters can apply for and obtain the ID.

Soon after these changes were made, the plaintiffs filed an amended complaint with the same federal district court to reflect the changes made by the General Assembly, requesting a new injunction to prevent enforcement of the Act during the 2006 elections. The federal district court granted a preliminary injunction on July 14, 2006, a few days before the July 18th primary election. The court found that, based on the changes to the law in 2006, plaintiffs were not likely to succeed on the poll tax issue. However, the court issued an injunction based on the likelihood of success on the undue burden issue.

The court granted the preliminary injunction because the timing of the changes to the law did not leave adequate time prior to the primary election for voters to conform to its requirements. According to the court, although the 2006 law itself may not impose an undue burden, the fact that the state did not begin implementing the law until a mere three weeks before the primary elections constituted the burden.

State Court Case

Lake v. Perdue, filed by two voters on July 3, 2006, is based solely on the claim that the 2006 amended law violated Article II of the Georgia Constitution. On July 7, 2006, a Fulton County Superior Court judge granted

a preliminary injunction against enforcing the law during the primary election and any resulting run-off elections. The Georgia Supreme Court denied an emergency stay of injunction that was filed by the state.

Article II, Section I, Paragraph 2 of the Georgia Constitution states that every person who is a U.S. citizen, a Georgia resident, and at least 18 years old is entitled to vote in any election. The plaintiffs argued that this paragraph provides an exclusive list of prerequisites to voting, and it does not allow the legislature to create additional requirements. Therefore, the photo ID law is unconstitutional because it might prevent a person from voting who meets all constitutional requirements.

Article II, Section I, Paragraph 2 of the Georgia Constitution states that every person who is a U.S. citizen, a Georgia resident, and at least 18 years old is entitled to vote in any election.

The state argued that the law does not create additional prerequisites to voting, but only regulates the voting process, which is permissible so long as the law regulates a time, place, or manner of voting. Article II, Section 1, Paragraph 1 of the Georgia Constitution provides that the legislature may regulate the method of voting. According to the state, the photo ID

statute affects the methods and procedures of voting, rather than voter registration; therefore, Article II, Section 1, Paragraph 1 is the applicable constitutional provision. The superior court granted the preliminary injunction with little explanation, stating that the law violates the Georgia Constitution by placing a restrictive condition on the right to vote.

Current Situation

As of August 2006, the federal court injunction remains the only impediment to the implementation of the Voter ID law, as amended during the 2006 Legislative Session. It is important to note that the district court asserted that if the state takes sufficient steps to inform voters of the 2006 law's photo ID requirements, the statute may survive the undue burden issue in time for the November 2006 general election. In other words, the court held that the burden on a voter to go to the Department of Driver Services in order to obtain a free voter ID is minimal, and the state may have time to lift the burden with sufficient advertising of the law and its requirements before the general election. The state court decision in *Lake v. Perdue* was in effect for the primary election and run-off election only; therefore, this injunction will not apply in November 2006. **SRO**



Ethanol (continued from Page 2)

Ethanol differs from traditional fuel because it absorbs water and, in high concentrations, is corrosive to metal pipelines. Massive quantities of ethanol will need to be transported by tanker trucks or railroads, which is more expensive and complicated.

Since ethanol's properties are different than traditional gasoline, there are certain quality control/quality assurance tests and standards that must be achieved before E85 can be sold. Furthermore, storage and dispensing equipment at retail stations must be E85 compatible. Soft metals such as zinc, brass, or aluminum, which are commonly found in conventional fuel storage and dispensing systems, are not compatible with ethanol, especially at the higher concentrations found in E85 motor fuel. Some non-metallic materials may also degrade when they come in contact with ethanol.

Currently, there are no listed public E85 refueling locations in the state. Refueling locations are only located at the Marine Corps Logistic Base in Albany, Ft. Benning in Columbus, and PC Energy in Atlanta. Many retail gasoline stations are eager to sell E85, but do not have the financial capability to install E85 infrastructure. Various federal and state incentives and/or grant programs have been created and implemented to encourage the development of E85 infrastructure. **SRO**

At Issue

At Issue is published monthly during the interim. For more information on this publication contact the Senate Research Office in Suite 204 of the Coverdell Legislative Office Building or by calling 404.656.0015.

-- Jill Fike, Director

E-85 Infrastructure Grants and Incentives

Federal

Section 1342 of the Federal Energy Policy Act of 2005 provides a tax credit equal to 30 percent of the cost for alternative refueling property, up to \$30,000 for business property. It is scheduled to expire December 31, 2009. The Clean Cities Coalition program is soliciting proposals for grant funding for refueling infrastructure projects that include new dispensing facilities, or additional equipment or upgrades, and improvements to existing refueling sites for alternative fuel vehicles. The U.S. Department of Energy's State Energy Program grants are awarded through the Clean Cities program category and fund alternative fuel infrastructure, such as E85 refueling infrastructure.

Illinois

Through the Opportunity Returns Initiative and a grant from the Illinois Clean Energy Community Foundation, \$500,000 in funding is now available for the Illinois E85 Clean Energy Infrastructure Development Program, to establish new E85 facilities at retail gasoline outlets in Illinois. The program, administered by the Illinois Department of Commerce and Economic Opportunity, will provide up to 50 percent of the total cost for converting an existing facility (maximum grant of \$2,000 per site) to E85 operation, or for the construction of a new refueling facility (maximum grant of up to \$40,000 per facility).

Iowa

Iowa's Renewable Fuels Infrastructure Program is a cost-incentive program which will provide financial assistance to persons installing E85 and biodiesel dispensing equipment. The financial incentive may not exceed 50 percent of the actual cost of making

the improvement or \$30,000, whichever is less. The Iowa House File 2759 (appropriations bill) appropriates \$2 million per year from the Iowa Values Fund.

Ohio

The Ohio Biofuels Retail Incentive Program (OBRIP) provides funding to owners of retail fuel stations to assist with the installation and promotion of E85 and/or B20. The OBRIP will provide up to \$135,000 through June 2006, with additional funding anticipated in July 2006. Generally, applicants for E85 incentive awards may receive up to \$5,000. Applicants must provide matching support, cash and/or in-kind, equal to the amount of incentive funds provided (the incentive may not exceed 50 percent of the total costs, including cash and in-kind support, of the project). Applicants may count support available from third parties as part, or all, of their match requirement.

Tennessee

The Tennessee Department of Transportation (Department) is authorized to undertake public-private partnerships with transportation fuel providers to install a network of refueling facilities, including storage tanks and fuel pumps, dedicated to dispensing biofuels including E85 and biodiesel. The Department is also authorized to establish a grant program to provide financial assistance to help pay the capital costs of purchasing, preparing and installing fuel storage tanks and fuel pumps for biofuels at private sector fuel stations. **SRO**



In Brief . . .

High School Athletics Overview Committee

The first meeting of the High School Athletics Overview Committee convened on August 4th in the Atlanta with Co-Chairs Senator Judson Hill and Representative Chuck Martin. The Committee was created as a means of evaluating the ability of high school athletic associations to fairly and equitably establish and implement standards and to promote academic achievement and good sportsmanship.

The Committee heard testimony from Dr. Ralph Swearingin, Executive Director of the Georgia High School Association (GHSAA). Dr. Swearingin provided the Committee with an overview of GHSAA and its current priorities for regulating high school athletics in Georgia. The next meeting will be held in September to further discuss the performance of high school athletic associations. [SRO](#)

DeKalb County Government Senate Study Committee

The DeKalb County Government Senate Study Committee is reviewing various organizational forms of government which would facilitate a more effective and efficient county government and democratic representation. The Committee's review will include city incorporation, analysis of DeKalb County Government, and the expansion of existing cities. The Committee's first two meetings featured speakers from various groups including: the Association County Commissioners of Georgia; the Carl Vinson Institute of Government; the Georgia Municipal Association; and various civic groups from different areas of the county. The Committee's third meeting will likely be held later in September. [SRO](#)

Joint State Trauma Services Study Committee

The Joint Comprehensive State Trauma Services Study Committee held its first meeting in Atlanta on August 14th. The meeting was followed by a tour of Grady Hospital and the Atlanta Medical Center. Various members of the press joined the Committee for its tour of Grady and *11alive* news ran a very good piece on the day's events reflecting the importance of the Committee's work. The Committee will hold its next meeting on September 11th in Macon. [SRO](#)

NCSL Legislators Back to School Program

The America's Legislators Back to School Program (BTSP) is your opportunity to visit elementary, middle, and high school classrooms in your district to meet with young constituents and share ideas, listen to concerns, answer questions, and provide students with a greater understanding of the legislative process.

The BTSP is sponsored by NCSL and is designed to teach young people—the nation's future voters and leaders—what it is like to be a state legislator: the processes; the pressures; and the debate, negotiation and compromise that are the very fabric of American democracy. School principals, teachers, and students have given state legislators an "A" for bringing civics to life for young people during the event.

The program kicks off the week of September 18th through the 22nd and continues throughout the school year. Please call Asenith T. Dixon at (404) 656-0021 if you would like to participate. [SRO](#)

Georgia Healthcare Transformation Study Committee

The Georgia Healthcare Transformation Study Committee will hold its first meeting on September 7th in Atlanta. The Committee will discuss a broad range of topics concerning the overall healthcare system in Georgia. [SRO](#)

Senate Septage Disposal Study Committee

The Senate Septage Disposal Study Committee held its second meeting on August 29th in Albany. The Committee heard presentations from the Department of Natural Resources, the Douglasville-Douglas County Water & Sewer Authority, and the Southwest Georgia Health District. [SRO](#)

Joint Water Desalination Study Committee

The Joint Comprehensive Water Desalination Study Committee held its first set of meetings August 23-24th in St. Simons Island. The Committee heard testimony about the basics of desalination, desalination efforts in Texas, Florida, and California, as well as the permitting and legal barriers to undertaking a desalination effort in Georgia. [SRO](#)